

# STATE OF CONNECTICUT

## DEPARTMENT OF PUBLIC HEALTH

Raul Pino, M.D., M.P.H.  
Commissioner



Dannel P. Malloy  
Governor  
Nancy Wyman  
Lt. Governor

Office of Health Care Access

### Department of Public Health Office of Health Care Access Certificate of Need Application

#### Final Decision

**Applicant:** The Hospital of Central Connecticut  
100 Grand Street, New Britain, CT 06050

**Docket Number:** 16-32119-CON

**Project Title:** Termination of Outpatient Rehabilitation Services and the temporary relocation of services in Berlin

**Project Description:** The Hospital of Central Connecticut ("Applicant" or "HOCC") seeks authorization to terminate outpatient rehabilitation services ("ORS") at its 15 Massirio Drive location in Berlin. The Applicant will temporarily offer outpatient rehabilitation services at 205 Kelsey Street in Newington until a permanent location in Berlin can be secured.

**Procedural History:** The Applicant published notice of its intent to file a Certificate of Need ("CON") application in the *New Britain Herald* on June 9, 10, and 11, 2016. On August 26, 2016, the Office of Health Care Access ("OHCA") received the initial CON application from the Hospital for the above-referenced project. OHCA deemed the application complete on October 19, 2016.

OHCA received no responses from the public concerning the Hospital's proposal and no hearing requests were received from the public per Connecticut General Statutes ("Conn. Gen. Stat.") § 19a-639a(e). Deputy Commissioner Addo considered the entire record in this matter.



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## Findings of Fact and Conclusions of Law

1. HOCC is a non-profit 446-bed acute care hospital located at 100 Grand Street in New Britain, Connecticut. Since 2011, the Applicant provided outpatient rehabilitation services at 15 Massirio Drive in Berlin (the "Berlin Office"). Ex. A, p. 13
2. In February 2016, the Applicant received notification that the lease for its Berlin Office would not be renewed. Ex. A, p. 13.
3. The Applicant notified existing ORS patients, by letter dated June 23, 2016, of the impending move. The letter provided the address of the new office and a phone number to call to receive assistance scheduling future appointments. The Applicant also reminded patients, via a telephone call, of the location change. Ex. A, pp. 15, 38, Ex. C, p. 84.
4. On June 30, 2016, the Applicant relocated to 205 Kelsey Street in Newington (the "Newington Office"), a temporary location less than two miles away from the Berlin Office. Ex. A, p. 13.
5. The Applicant selected the Newington Office location based on drive time from the existing office, availability of parking, office accessibility and availability of public transportation. Ex. A, p. 14; Ex. C, pp. 84-85.
6. There has been no interruption in services or disruption to patient care during the Applicant's transition to its new location. Ex. A, p. 14.
7. The Applicant has assessed possible permanent locations in Berlin, Newington and Kensington and estimates its ORS will remain in the Newington Office for at least one year. However, the Applicant is also considering remaining at the Newington Office permanently. Ex. A, p. 13; Ex. C, p. 84.
8. The Newington Office offers the same physical, occupational and speech therapy services previously offered at the Berlin Office. Ex. A, p. 24; Ex. C, p. 4.
9. The Applicant will maintain the same office hours at the new location, Monday through Friday from 8 a.m. to 5 p.m., and as needed to accommodate patients' schedules. Ex. A, p. 6.



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10. The primary towns from which the Applicant derives ORS patients are Berlin, New Britain and Newington.

**TABLE 1  
 FY2015 ORS UTILIZATION BY TOWN**

Patient Town	No. of Visits
Berlin	2,208
New Britain	1,428
Newington	828
Plainville	135
Bristol	92
Southington	91
Rocky Hill	90
Other	726

Ex. A, p. 32

11. There are two other existing ORS providers in the area:

**TABLE 2  
 EXISTING ORS PROVIDERS IN THE AREA**

Facility Name	Address	Area Served	Hours of Operation
Select Physical Therapy	211 New Britain Rd, Suite 101, Berlin, CT	Berlin/Kensington	M-F, 7 a.m. to 6 p.m.
Focus Physical Therapy	1231 Farmington Ave, Berlin, CT	Berlin/Kensington	M-F, 5:30 a.m. to 6 p.m.

Ex. A, p. 33

12. There are no capital costs associated with this proposal. Ex. A, p. 27.

13. The Applicant anticipates the new location will be able to accommodate all patients, allowing for potential growth in patient volume.

**TABLE 3  
 HISTORICAL UTILIZATION OF APPLICANT'S ORS**

Service	Actual Volume			
	FY 2013	FY2014	FY2015	FY2016*
Physical therapy visits and new patient evaluations	5,708	5,897	5,588	5,446

\*Annualized based on Oct. through May 2016 data



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**TABLE 4  
 PROJECTED UTILIZATION OF APPLICANT'S OSR**

Service	Projected Volume		
	FY 2017	FY2018	FY2019
Physical therapy visits and new patient evaluations	5,610	5,778	5,951

Ex. A, pp. 29-30

14. HOCC anticipates that Medicaid patients will continue to comprise 28% of its patient population.

**TABLE 5  
 HOSPITAL'S CURRENT & PROJECTED PAYER MIX**

Payer	Current				Projected			
	FY2016*		FY 2017		FY 2018		FY2019	
	Visits	%	Visits	%	Visits	%	Visits	%
Medicare	1,405	26%	1,447	26%	1,491	26%	1,535	26%
Medicaid CHAMPUS & TriCare	1,536	28%	1,582	28%	1,629	28%	1,678	28%
<b>Total Government</b>	<b>2,941</b>	<b>54%</b>	<b>3,029</b>	<b>54%</b>	<b>3,120</b>	<b>54%</b>	<b>3,213</b>	<b>54%</b>
Commercial Insurers	2,200	40%	2,266	40%	2,333	40%	2,403	40%
Uninsured/Self Pay	26	.5%	27	.5%	28	.5%	29	.5%
Workers Compensation	279	5%	288	5%	297	5%	306	5%
Other Insurance					2,658			
<b>Total Non-Government</b>	<b>2,505</b>	<b>46%</b>	<b>2,581</b>	<b>46%</b>	<b>2,658</b>	<b>46%</b>	<b>2,738</b>	<b>46%</b>
<b>Total Payer Mix</b>	<b>5,446</b>	<b>100%</b>	<b>5,610</b>	<b>100%</b>	<b>5,778</b>	<b>100%</b>	<b>5,951</b>	<b>100%</b>

\*Annualized based on Oct. through May 2016 data

Ex. A, p. 31.



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15. The Applicant anticipates incremental gains from operations, primarily as a result of decreased lease costs at its new location in Newington.

**TABLE 6  
APPLICANT'S PROJECTED OSR INCREMENTAL REVENUES AND EXPENSES**

Description	FY 2017	FY 2018	FY2019
Revenue from Operations	\$15,207	\$15,625	\$16,090
Operating Expenses	(\$27,794)	(\$27,794)	(\$27,794)
Gain/Loss from Operations	\$43,001	\$43,419	\$43,884

Ex. A, pp. 28, 74.

16. OHCA is currently in the process of establishing its policies and standards as regulations. Therefore, OHCA has not made any findings as to this proposal's relationship to any regulations not yet adopted by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1)).
17. The CON application is consistent with the overall goals of the Statewide Health Care Facilities and Services Plan. (Conn. Gen. Stat. § 19a-639(a)(2)).
18. The Applicant has established that there is a clear public need for its proposal. (Conn. Gen. Stat. § 19a-639(a)(3)).
19. The Applicant has satisfactorily demonstrated that its proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4)).
20. The Applicant has satisfactorily demonstrated that access to services, cost effectiveness and the quality of health care delivery will be maintained. (Conn. Gen. Stat. § 19a-639(a)(5)).
21. The Applicant has shown that there will be no change in access to the provision of health care services to the relevant populations and payer mix, including Medicaid patients and indigent persons. (Conn. Gen. Stat. § 19a-639(a)(6)).
22. The Applicant has identified the population to be served and has satisfactorily demonstrated that this population has a need. (Conn. Gen. Stat. § 19a-639(a)(7)).
23. The Applicant's historical utilization in the area supports this proposal. (Conn. Gen. Stat. § 19a-639(a)(8)).
24. The Applicant has satisfactorily demonstrated that the proposal will not result in an unnecessary duplication of existing services in the area. (Conn. Gen. Stat. § 19a-639(a)(9)).



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25. The Applicant has satisfactorily demonstrated that the proposal will not result in a reduction or change in access to services for Medicaid recipients or indigent persons. (Conn. Gen. Stat. § 19a-639(a)(10)).
26. The Applicant has satisfactorily demonstrated that the proposal will not result in a negative impact on the diversity of health care providers in the area. (Conn. Gen. Stat. § 19a-639(a)(11)).
27. The Applicant has satisfactorily demonstrated that its proposal will not result in any consolidation that would affect health care costs or accessibility to care. (Conn. Gen. Stat. § 19a-639(a)(12)).



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## Discussion

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in Conn. Gen. Stat. § 19a-639(a). The Applicant bears the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board*, 309 Conn. 727 (2013).

The Hospital of Central Connecticut is a not-for-profit, 446-bed acute care hospital located in New Britain. Since 2011, the Applicant has provided outpatient rehabilitation services from a leased space located at 15 Massirio Drive in Berlin, CT. *FF1*. In February 2016, the Applicant received notification that its lease at the Berlin Office would not be renewed. *FF1-2*.

The Applicant notified existing ORS patients, by letter dated June 23, 2016, of the impending move. The letter provided the address of the new office and a phone number to call to receive assistance scheduling future appointments. The Applicant also reminded patients, via a telephone call, of the location change. *FF3*. On June 30, 2016, the Applicant relocated to 205 Kelsey Street in Newington, a temporary location less than two miles away from the Berlin Office. *FF4*. The Applicant selected the Newington Office location based on drive time from the existing office, availability of parking, office accessibility and availability of public transportation. *FF5*.

Since the majority of the Applicant's ORS patients originate from Berlin, the Applicant is searching for a permanent location in the Berlin area. *FF10*. The Applicant has assessed possible permanent locations in Berlin, Newington and Kensington and estimates its ORS will remain in the Newington Office for at least one year. However, the Applicant is also considering remaining at the Newington Office permanently. *FF7*. As the Applicant will be treating the same patient population as it did in its previous office, the proposal is unlikely to have any negative impact on existing ORS providers or result in any unnecessary duplication of services.

The Applicant will continue to provide the same physical, occupational and speech therapy services and will maintain the same hours of operation at its new location. Patient treatment has not been interrupted as a result of the change in location. *FF6,8-9*. For the above reasons, the proposal is unlikely to have any impact on access to or quality of care.

Should the Applicant remain at the Newington Office through FY2019, it anticipates the new location will be able to accommodate its projected 5,951 physical therapy visits and new patient evaluations. *FF13*. Furthermore, the Applicant anticipates Medicaid patients will continue to comprise 28% of its payers. *FF14*. As a result, access to ORS will be maintained for the existing patient population, as well as Medicaid patients.

The Newington Office annual lease cost is approximately \$28,000 less than that of the Berlin Office. Those savings, coupled with modest projected increases in revenues from operations, are expected to result in incremental gains ranging from \$43,001 in FY2017 to \$43,884 in FY2019. *FF15*. There are no associated capital expenditures. Therefore, the proposal is financially feasible.



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Based on the foregoing factors, the Applicant has satisfactorily shown that there is clear public need for this proposal and demonstrated that access to services will be maintained, as is consistent with the Statewide Health Care Facilities and Services Plan.



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## Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of The Hospital of Central Connecticut's application for the termination of outpatient rehab services in Berlin is hereby **APPROVED**.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the  
Department of Public Health  
Office of Health Care Access

12/19/2016  
Date

Yvonne Addo  
Yvonne Addo, MBA  
Deputy Commissioner



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